



Dear LANS Plan participant,

The Benefits and Investment Committee (BIC) is committed to providing a broader range of investment options at the lowest cost possible to you in your 401(k) plan accounts. Depending on your investment decisions, the upcoming changes may result in savings through lower investment management fees to you. You are still in control of your own risk portfolio and asset allocation. These changes are intended to make your choices easier and less expensive.

On October 31, 2011, several important changes will be made to the investment lineup for the LANS 401(k) Savings and Retirement Plans. These enhancements are designed to help you save more effectively for retirement.

Over the last several years, the LANS 401(k) Savings and Retirement Plans' assets have steadily grown to over \$525 million. During contract transition, when the Plans were established, no assets were yet in the Plans. The LANS Benefits and Investment Committee ("BIC"), which is responsible for the selection and monitoring of investment options, was restricted to mutual funds because professional investment managers were only interested in managing large pools of retirement plan assets. As a result of the asset growth since the plans were established, the BIC is now able to provide a broad range of investment options with similar objectives and characteristics as the current lineup with lower investment expenses.

While a fund's expenses are just one factor to consider when choosing your retirement plan investments, in the long-term, lower expenses have an impact on how much money you have for your future.

You will notice that the investment options in the plans have new names, which may make it easier to choose an investment mix that is right for you. The newly named investment options have similar investment objectives and characteristics as the current investment options; however, many no longer have ticker symbols. This is because your money will now be invested in separate accounts or commingled pools, which are investment vehicles that are only available to institutional investors like the LANS Plans. Even though some options will not have ticker symbols, once these new investment options are established, they will have a fund fact sheet which will contain information on the funds' performance, objectives, characteristics, management and expenses. In most cases, a fund is being replaced by an investment option with similar investment objectives and characteristics, but managed by a different professional investment manager. In other cases, the fund will have the same investment manager, objectives and characteristics, but is being transferred to a lower expense option only available to institutional investors such as the LANS Plans.

In addition to now being able to use investment structures with lower fees, the Plans' new lineup will continue to provide you with investment options managed by professionals with strong track records. The investment managers available to you have been selected by the BIC after a thorough review of their performance, reputation and qualifications. The BIC's choices were made with the assistance of professional investment consultants who regularly assist the BIC in manager selection and monitoring investment options. The BIC is pleased to announce these important changes, which can now be offered as a result of the growth in the Plans' assets.

It is important that you read through the investment options booklet, which is enclosed and posted to Fidelity NetBenefits®. More information about separate accounts and commingled pools is contained in this booklet.

LANS BIC members and a Fidelity representative will be giving presentations on site to explain the investment options changes and answer any questions you may have. The dates and times of the presentations are below. If you cannot attend a meeting in person, the morning meetings on both days will be broadcast on LABNET Channel 9.

Tuesday, October 25

8 a.m. and 9:30 a.m. in the Physics Auditorium

1 p.m. and 3:30 p.m. in the LANSCE Louis Rosen Auditorium

Wednesday, October 26

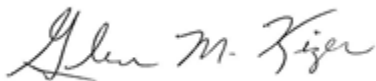
8 a.m. and 9:30 a.m. in the Physics Auditorium

1 p.m. and 3:30 p.m. in the LANSCE Louis Rosen Auditorium

If you have any questions, call Fidelity at 1-800-835-5095 or log on to www.netbenefits.com. Fidelity Customer Service Representatives are available from 8:00 am to 8:30 pm Eastern time.

The LANS BIC will continue to monitor the investment options offered by the LANS 401(k) Savings and Retirement Plans, and is committed to providing a cost effective way to save for retirement.

Sincerely,



Glenn Kizer
Chairman, LANS Benefits and Investment Committee

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